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A.C. Littleton

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PROFILE — LITTLETON Buckner: A.C. Littleton
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topics. He was much concerned about maintaining the internal consistency and coordination of a total body of thought.

Certain themes are recurrent in all of Littleton's writings. Ever conscious of the role of history and its influence in the development of accounting ideas, Littleton looked to history as a source of guidance for present practices and ideas. He viewed change as a continuing element in the evolutionary development of accounting as a discipline responsive to change and need. He emphasized continuously the interrelationship between theory and practice. The theory of accounting is rooted in transactions reflecting actions and experiences. Theory and practice are inseparably connected; therefore, accounting is a practical art. In his continuing discussions of the historical cost concept, Littleton repeatedly stressed the necessary choice among alternatives; the choice between the use of cost or value in income determination.

An Introduction to Corporate Accounting Standards, coauthored with W. A. Paton and published in 1940, has been noted (by Eldon S. Hendriksen, *Accounting Theory*, Revised, 1970) as the single most significant contribution of its period to the development of accounting theory. It is likely that no single United States' accounting publication has been cited so often or esteemed so highly. It has been a staple in courses in accounting theory since its publication and has thereby influenced accounting teaching and research.

Structure of Accounting Theory, published in 1953, grew out of Littleton's seminars, thinking, and writing over a twenty year period. It can be viewed as a culmination of his considered thought.

It is apparent that 302 articles, editorials, comments, discussions, bulletins, papers, and book reviews written and presented in various accounting journals from 1926 to 1966 constitute a conspicuous contribution to the literature of accounting. A broad spectrum of topics were covered although the bulk were basic, continuing topics of interest and importance to the field of accounting.

After graduation with a degree in business administration from the University of Illinois in 1912, Littleton worked with the public accounting firm of Deloitte, Plender, Griffith and Co. in Chicago, Illinois from 1912-1915. In 1915 he returned to his alma mater as an accounting instructor. He received a Master of Arts degree in economics in 1918, an Illinois CPA certificate in 1919, and a Doctor of Philosophy degree in 1931. His doctoral thesis was later developed into *Accounting Evolution to 1900* for which Littleton received an award from the Grand Chapter of Beta Alpha Psi for the most noteworthy contribution to accounting literature in 1934.

During his 37 years at the University of Illinois, up to retirement in 1952, Littleton served as the first Dean of the College of Commerce and 20 years as assistant director of the bureau of business research in addition to his teaching, research, and writing articles. He is widely credited as a primary force in the inauguration and development of the doctoral level graduate program in accountancy under which the first Doctor of Philosophy degree in Accounting in the United States was conferred in 1939.

The list of graduate students who wrote under Littleton's supervision includes the names of many who have become prominent in the profession, notable writers in various areas of accounting, as well as many academicians and educators.

Littleton's most extensive activities with professional organizations were with the American Accounting Association and its predecessor organization. He was Acting Director of Research during 1938 and co-director from 1939-1942. He was president of the Association in 1943 and served as chairman of the editorial board for *The Accounting Review* from 1943-1946. It appears he used the editorial section and "The Accounting Exchange" column as a sounding board for his views.

Littleton was the third national president (1927-1929) of Beta Alpha Psi which was founded in 1919. His recognition by various groups is indicative of his impact upon members of the groups and others. In 1954 he was awarded the American Accounting Association's Alpha Kappa Psi Award for his many contributions to his profession. He was elected to the Accounting Hall of Fame in 1956.

1978 REGIONAL MEETINGS

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SOUTHWEST
Dallas, Texas
March 10, 1978

Chairman -

Hans Johnson, University of Texas,
San Antonio

"Stages of Influence of the New York
Stock Exchange on Accounting
Principles"

Robert H. Raymond, University of
Nebraska—Lincoln

"The Role of Fact and Interpretation in
the Evolution of the Auditing Method"

Florence R. Sneed, North Texas State
University

"Interim Financial Reporting in the
United States — 1900 to Present"

Bill D. Jarnagin, The University of Tulsa

Discussants -

Brother George F. Malecek, St. Mary's
University

Ralph W. Estes, Wichita State University

Richard V. Calvasina, Mississippi State
University

Born in 1886, A. C. Littleton entered the accounting profession early in the twentieth century, 1912, when the discipline faced major problems. Demands from government, investors, and others for earnings information were creating pressing needs for more accounting data. Although Littleton chose the accounting field somewhat by chance, he emerged as a major force in the development of accounting thought. Responsive to perceived needs at the time, he addressed himself to the intrinsic accounting problems of income determination and approached other developing issues and problems with assurance. For example, he resolutely defended and promoted the allocation of costs, including the proper determination of depreciation, as the essential feature of the matching process. His highly expressive and extensive writing spanned a period of fifty years, 1919-1970. His views of income determination as a central purpose of accounting, of historical cost as the basic means of maintaining data integrity, and his basic approach and views concerning principles were of major significance during his own period as well as the present.

Littleton's writing was lucid, scholarly, complete, and comprehensive. The careful attention he gave to clarifying detail and explanations added to the effectiveness of his presentations. Although not a particularly colorful writer, his attention to details of terminology, elaboration, and illustrations reveal his clear thinking. His selection of the most important, basic, continuing problems demonstrated his extraordinary insight. He rarely expended any effort upon minor or temporary issues.

His breadth of vision and analytical ability were exerted unstintingly in the consideration of accounting problems. His conviction that analytical ability and analytical techniques are important communication skills forecast *Horizons for a Profession* conclusions. He believed analytical ability, associated with a wide knowledge of accounting, to be necessary for technical competence.

Littleton's interest in the concept of accounting principles and the method of their formulation was unceasing and his extensive concentration of effort in this area constitutes a significant and unique contribution to the total literature of accounting. The formulation of a consistent set of broad, inductively derived principles, rooted in experience and action, as a basis for a cohesive structure of accounting theory embodies the culmination of his efforts. This formulation is set forth in *Structure of Accounting Theory* (1953).

Staunch in his advocacy of adherence to the use of historical cost and maintenance of the integrity of the original enterprise transaction data, Littleton crystallized a goal which became the accepted practice and embodied a unification and standardization of accounting ideas. During the early period of pressure for injection of replacement values, appraisal values, and price-level adjustments into the accounts, Littleton suggested that presentation of supplementary price-level adjusted figures. Well ahead of his time in suggesting such a presentation, his insight in this area is usually overlooked.

Stress upon income determination as the central purpose of accounting constitutes what appears to be one of Littleton's major contributions to the field of accounting. His emphasis upon income determination and the matching concept were undoubtedly influential in the final acceptance of these basic concepts. Littleton was in the midst of the evolution and at the forefront of the developing dominance of the income statement over the balance sheet.

The work of Littleton is noteworthy for its consistency of viewpoint over several decades. His carefully considered and thought-out views concerning issues remained basically unchanged over time, only being refined, expanded, and/or clarified in later statements. Additionally, he demonstrated painstaking effort to maintain a consistency of viewpoint concerning related

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The Accounting Historians Notebook

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